No. 15-777

IN THE

Supreme Court of the United States

SAMSUNG ELECTRONICS CO., LTD., SAMSUNG ELECTRONICS AMERICA, INC., SAMSUNG TELECOMMUNICATIONS AMERICA LLC,

Petitioners,

v.

APPLE INC.,

Respondent.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

BRIEF OF *AMICUS CURIAE* AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION IN SUPPORT OF RESPONDENT

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STATEMENT OF INTEREST

The American Intellectual Property Law Association is a national bar association of approximately 14,000 members who are primarily lawyers engaged in private and corporate practice, in government service, and in the academic community.[1] The Association's members represent a wide and diverse spectrum of individuals, companies, and institutions involved directly and indirectly in the practice of patent, trademark, copyright, trade secret, and unfair competition law as well as other fields of law affecting intellectual property. Our members represent both owners and users of intellectual property. Our mission includes helping establish and maintain fair and effective laws and policies that stimulate and reward invention while balancing the public's interest in healthy competition, reasonable costs, and basic fairness.

The Association has no stake in the parties to this litigation or in the result of this case, other than its

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1. In accordance with Supreme Court Rule 37.6, amicus curiae states that this brief was not authored, in whole or in part, by counsel to a party, and that no monetary contribution to the preparation or submission of this brief was made by any person or entity other than the amicus curiae and its counsel. Specifically, after reasonable investigation, AIPLA believes that (i) no member of its Board or Amicus Committee who voted to file this brief, or any attorney in the law firm or corporation of such a member, represents a party to this litigation in this matter, (ii) no representative of any party to this litigation participated in the authorship of this brief, and (iii) no one other than AIPLA or its members who authored this brief and their law firms or employers made a monetary contribution to the preparation or submission of this brief.

interest in the correct and consistent interpretation of law affecting intellectual property.[2]

SUMMARY OF ARGUMENT

Congress has answered the question presented in this case. In enacting 35 U.S.C. § 289, it established that compensation for design patent infringement may include the infringer's profit from the sale of the article bearing the claimed design. Section 289 expressly states that the infringer "shall be liable to the owner to the extent of his total profit" for the article manufactured to which the claimed design is applied.

The legislative history of Section 289 supports the plain meaning of the statutory language and demonstrates the policy decision Congress made in providing this remedy to design patent owners. Congress over the years has made somewhat different decisions concerning recovery of an infringer's profits with respect to utility patents (repealed in 1946), trademarks (granted in 1946, placing the apportionment burden on the infringer), and copyrights (granted in 1976, placing the apportionment burden on the infringer). Congress has not, however, moved away from its grant to design patent owners of the right to recover an infringer's total, un-apportioned profits.

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2. In accordance with Supreme Court Rule 37.3(a), AIPLA has obtained the consent of the parties the file this amicus brief in support of Respondent. Petitioner Samsung has filed a blanket consent letter with the Court, and Respondent Apple delivered its consent to AIPLA by letter filed with this brief.

This remedy, moreover, remains an important weapon in the arsenal of design-patent holders in the fight against counterfeit articles of manufacture. That mundane, everyday battle should not be overshadowed by high-profile rhetoric.

ARGUMENT

I. Overview of Design Patent Law

The development of design patent law parallels the history of technology in the United States and reflects policy decisions enacted by Congress concerning the role of design patents to "promote the progress of science and useful arts." U.S. Const., art. 1, § 8. Of particular relevance here, Congress realized that the additional remedy of an infringer's profits was necessary for adequate design patent protection.

Since 1842, Congress has made protection available for "any new, original and ornamental design for an article of manufacture." 35 U.S.C. § 171. To qualify for protection, a design must present an aesthetically pleasing appearance that is not dictated by function alone, and must satisfy the other criteria of patentability set forth in Title 35 of the United States Code. *See, e.g., Bonita Boats, Inc. v. Thunder Craft Boards, Inc.*, 489 U.S. 141, 148 (1989).

Patent claims define the scope of protection afforded to the patent holder for both utility patents and design patents. A utility patent includes claims in the numbered sentences that appear at the end of a patent, whereas a design patent has only one claim directed to the ornamental design as shown by the drawings in the

patent.[3] Construction of both claim forms is now an issue of law for the courts. *Teva Pharms. USA, Inc. v. Sandoz, Inc.* 135 S. Ct. 831 (2015); *Markman v. Westview Instruments, Inc.*, 517 U.S. 370 (1996). One practicality of construing a design patent claim, *i.e.*, the drawing, is that a picture alone sometimes may be better than a thousand words.[4]

The test for determining infringement of a design patent was established in *Gorham Co. v. White*, 81 U.S. (14 Wall.) 511, 20 L.Ed. 731 (1871):

> [I]f, in the eye of an ordinary observer, giving such attention as a purchaser usually gives, two designs are substantially the same, if the resemblance is such as to deceive such an observer, inducing him to purchase one supposing it to be the other, the first one patented is infringed by the other.

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3. *See, e.g., Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 373 (1996)(utility patents); *Dobson v. Hartford Carpet Co.*, 114 U.S. 439, 446 (1885)(design patents). Design patents are subject to the statutory claim requirement. 35 U.S.C. § 171 ("The provisions of this title relating to patents for inventions shall apply to patents for designs, except as otherwise provided.").

4. A claim to a design "substantially as shown," without verbal description, is an accepted claim form. *Dobson v. Dornan*, 118 U.S. 10, 14 (1886)(claimed design "is better represented by the photographic illustration than it could be by any description, and a description would probably not be intelligible without the illustration."). *See also Egyptian Goddess, Inc. v. Swisa, Inc.*, 543 F.3d 665, 679-80 (Fed. Cir. 2008) (en banc).

Id. at 528.[5] The need to prove substantial similarity that creates a potential for deception suggests the context in which Congress long ago provided design patent owners with the additional remedy now codified in 35 U.S.C. § 289.

II. The Additional Relief to Design Patentees Afforded by 35 U.S.C. § 289 is Clear and Unambiguous

In general, patent owners may recover "damages adequate to compensate for the infringement," 35 U.S.C. § 284, such as an award of their lost profits or a reasonable royalty for use of the claimed invention. In addition, design patent owners may elect those remedies as well as (with some limitations) the infringer's profits under 35 U.S.C. § 289:

> Whoever ... applies the patented design ... to any article of manufacture ... shall be liable to the owner **to the extent of his total profit**, but not less than **$250** ....
>
> Nothing in this section shall prevent, lessen or impeach any other remedy which an owner of an infringed patent has under the provisions of this title, but he shall not twice recover the profit made from the infringement.

35 U.S.C. § 289 (emphasis added).

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5. This case was the outgrowth of a clash between solid silver manufacturers and silver-plating operations. *See, e.g.*, Du Mont, Jason J. and Janis, Mark D., American Design Patent Law: A Legal History, Ch. 6 - Design Patent Remedies at 6/14 (May 26, 2016) (hereafter "Du Mont, Legal History"). American Design Patent Law: A Legal History, Ch. 6 - Design Patent Remedies (Cambridge Univ. Press Forthcoming) Available at SSRN: http://ssrn.com/abstract=2784746

As discussed below, this statutory language first was enacted in 1887 and has remained essentially unchanged. The genesis of the 1887 legislation can be found in decisions in 1885 and 1886 decisions of this Court that limited a design patent owner to recovery of "only nominal damages," for want of evidence apportioning the value of the design and the value of the article of manufacture itself. *Dobson v. Dornan*, 118 U.S. 10 (1886); *Dobson v. Hartford Carpet Co.* 114 U.S. 439 (1885).

The language of the statute is clear and unequivocal. One who applies a patented design to an article of manufacture shall be liable "to the extent of his total profits." 35 U.S.C. § 289. *See e.g., Ratzlaf v. United States*, 510 U.S. 135, 147-48 (1994) ("There are, we recognize, contrary indications in the statute's legislative history. But we do not resort to legislative history to cloud a statutory text that is clear."). It has been argued that the statutory term "article of manufacture" refers to the component to which the design is applied (here it would be the cell phone case) rather than the entire phone product sold. However, as pointed out by the Federal Circuit, the identification of the article of manufacture for purposes of Section 289 is an issue of fact to be decided on a case-by-case basis, focusing on how the product is sold. *Apple Inc. v. Samsung Elecs. Co.*, 786 F.3d 983, 1002 (Fed. Cir. 2015); Brief of the United States as Amicus Curiae Supporting Neither Party, at 9.

The statutory language constitutes a congressional rejection of a causation consideration, *i.e.*, an apportionment requirement, and authorizes recovery of the infringer's total profit from the article of manufacture bearing the patented design. *See* 786 F.3d at 1002-3 (*citing Schnadig Corp. v. Gaines Mfg. Co.*, 620 F.2d 1166, 1171 (6th Cir.

1980); *Henry Hanger & Display Fixture Corp. of Am. v. Sel-O-Rak Corp.*, 270 F.2d 635, 643-44 (5th Cir. 1959)).

III. Legislative History Supports a Plain-Meaning Statutory Construction

Section 289 is intertwined with the evolution of law/equity jurisprudence and with sea changes in technological advances.

A. Patent Remedies Prior to 1842

Section 4 of the Patent Act of 1790 allowed patentees to recover "such damages as assessed by a jury."[6] The Patent Act of 1793 changed the patentee's recovery to "a sum, which shall be at least three times the price, for which the patentee has usually sold or licensed to other persons, for the use of the said invention."[7] Congress again changed the form of damages in the Patent Act of 1800, authorizing a patentee to recover "a sum equal to three times the actual damages sustained" by the patentee.[8]

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6. Patent Act of 1790, ch. 7, § 4, 1 Stat. 111 (1790).

7. Patent Act of 1793, ch. 11, § 5, 1 Stat. 318 (Feb. 21, 1793). *See also Seymour v. McCormick*, 57 U.S. (16 How.) 480, 488 (1853) (while the price of a license became the measure of single damages, "the value of a license could not be made a universal rule, as a measure of damages.").

8. Patent Act of 1800, ch. 25, § 3, 2 Stat. 37 (1800).

The Patent Act of 1819 ushered in federal equity's involvement in patent litigation.[9] Until then, a patentee had only the legal remedy of an action on the case, with relief limited to an award of damages. Under the 1819 Act, courts of equity could order equitable accountings of the infringer's profits, but not the recovery of the patentee's lost profits or royalty. The Patent Act of 1836 continued to give patentees the option of pursuing actions in law or equity. It empowered a jury in a court of law to assess "actual damages sustained" by the patentee, but repealed mandatory trebling.[10] Instead, courts were vested with the discretionary power to award up to treble the amount of the actual damages as punitive damages.[11] Federal equity jurisdiction was also continued into the 1836 Act.[12] At least some judges sitting in equity awarded an accounting of infringer's profits in patent cases.

As noted above, Congress enacted provisions to address specific issues raised by patents on designs in 1842.[13]

B. Patent Remedies and the Carpet Cases

In 1870, Congress expanded the power of federal equity to include where appropriate the award of the

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9. Patent Act of 1819, ch. 19, § 1, 3 Stat. 481-82 (1819).

10. Patent Act of 1836, ch. 357, § 17, 5 Stat. 117 (1836).

11. *Id.* at § 14.

12. *Id.* at § 17.

13. Act of August 29, 1842, ch. 263, § 2, 5 Stat. 543 (1842).

patentee's damages as well as the infringer's profits.[14] An infringer's profits remained the primary award for relief in a suit at equity while a patentee's damages were the primary award in a suit in a court of law.[15]

The doctrine of apportionment in utility patent cases was adopted in 1884 by this Court in *Garretson v. Clark*,[16] which involved an improvement patent on a mop head. The patentee sought an award of the infringer's profits in a case in equity. The Master had recommended an award of only nominal damages because the patent was for an improvement, but the patentee's proof on damages was for the mop as a whole. That recommendation was adopted,[17] and this Court affirmed, observing that the patent owner "produced no evidence to apportion the profits or damages between the improvement constituting the patented feature and the other features of the mop. His evidence went only to show the cost of the whole mop, and the price at which it was sold."[18]

This decision coincided with the culmination of clashes in the carpet industry between an old-line New England business and a then-new Philadelphia concern, the Dobson brothers. The American carpet industry experienced a dramatic transformation during the middle decades

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14. Patent Act of 1870, ch. 230, §§ 55, 59, 15 Stat. 198 (1870).

15. *See, e.g., Burdell v. Denig*, 92 US. 716, 719-20 (1876).

16. 111 U.S. 120 (1884).

17. *Garretson v. Clark*, 10 F. Cas.40, 41 (C.C.N.D.N.Y. 1878).

18. 111 U.S. at 121.

of the nineteenth century.[19] Prior to then, the industry was composed primarily of individual weavers who used handlooms to produce ingrain carpets for local customers. Ingrain was a smooth-surfaced carpet in which the pattern was woven into the carpet. Erastus Bigelow invented and commercialized a series of power-driven looms in the late 1830s. Notably, Mr. Bigelow obtained a utility patent on a power loom for producing ingrains, which he licensed to New England manufacturers. After his patent expired, the industry turned to design patent protection.[20]

These facts provide context for the Court's 1885 and 1886 *Dobson* decisions, which were swiftly followed by congressional action in the form of the 1887 Act.[21] The 1885 decision consolidated three suits in equity for design patent infringement brought against John Dobson and James Dobson by the Hartford Carpet Co. and Bigelow Carpet Co. *See Dobson*, 114 U.S. 439.

The appellate court had awarded the patent holders the profits which they would have made on the sale of the quantity of carpets sold by the Dobsons. The Court reversed, relying on the apportionment rule announced in *Garretson*. *Dobson*, 114 U.S. at 445-46 ("The [Garretson rule] is even more applicable to a patent for a design than to one for mechanism. A design or pattern in ornamentation or shape appeals only to the taste through the eye, and is often a matter of evanescent caprice."). *Accord Dobson v. Dornan*, 118 U.S. 10, 17-18 (1886) (reversing award of

19. Du Mont, Legal History at 6-11

20. *Id.* at 6-12.

21. Act of 1887, ch. 105, 24 Stat. 387 (1887).

lost profits to the patentee based on quantity of carpet sold by the defendant).

C. The Act of 1887 Eliminated Apportionment

Congress swiftly reacted to the application of the *Dobson* applications of the apportionment rule to design patents. The House Report accompanying H.R. 8323 explicitly rejected the use of an apportionment rule as a limitation on an award of profits:

> It is expedient that the **infringer's entire profit on the article should be recoverable**, as otherwise none of his profit can be recovered, **for it is not apportionable**; and it is just that the entire profit on the article should be recoverable and by the patentee, for it is the design that sells the article, and so that makes it possible to realize any profit at all ...."

See H.R. Rep. No. 1966 at 2-3 (1886), reprinted in 18 Cong. Rec. 834 (1887) (emphasis added). Moreover, the House Report pointed directly to the 1885 *Dobson* decision as the reason for the need to change design patent law:

> It now appears that the design patent laws provide no effectual money recovery for infringement. This is the result of the statute, as applied to the peculiar character of property involved, in a test case decided April last by the Supreme Court of the United States. Since that decision the receipts of the Patent Office in the design department have fallen off upwards of 50 percent, and the average weekly issue of design patents has also fallen off just on half.

H.R. Rep. No. 1966 at 1 (1886), reprinted in 18 Cong. Rec. 834 (1887). The Senate Report accompanying S. 1813 contained comparable language: "[T]he complainant must clearly prove what part of his own damage or what part of defendant's whole profit on the article made and sold was directly due to the appearance of those articles ...."[22] Continuing, the Senate Report stated that it had been "abundantly shown to your committee ... that the proof thus called for can never be furnished."[23]

The House Report compared the design patent right to a trademark right as a means of recovering an investment in goodwill: "the patentee is entitled to all the good will the design has in the market, and so, after the analogy of trade-mark law, is entitled to all the profit the infringer made on the goods marked." *Id.*

Those two bills were passed by Congress and became the Act of 1887. The language of the statute was consistent with the intent expressed in the House and Senate Reports to eliminate apportionment as a requirement. In pertinent part, § 1 provided that:

> Any person violating the provisions, or either of them, of this section, shall be liable in the amount of two hundred and fifty dollars; and

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22. S. Rep. 206, 49th Cong., 1st Sess (Mar. 9, 1886) at 1-2 (emphasis in original), reprinted in Du Mont, Legal History, Appendix A.

23. *Id.* at 2. Isolated remarks made during the House floor debate, if taken out of context, might be raised to cloud the issue. *See* Du Mond, Legal History 6:39-6:41. Put in proper context, those isolated comments are inconsequential when compared against the clear language in both Senate and House reports.

> in case the total profit made by him from the manufacture or sale, as aforesaid, of the article or articles to which the design, or colorable imitation thereof, has been applied, exceeds the sum of two hundred and fifty dollars, he shall be further liable for the excess of such profit over and above the sum of two hundred and fifty dollars....

Section 2 explained that this grant of rights to recover statutory damages or "the total profits" of the infringer was complementary to the rights otherwise available to the owner of a design patent:

> [N]othing in this act contained shall prevent, lessen, impeach, or avoid any remedy at law or in equity which any owner of letters patent for a design, aggrieved by the infringement of the same, might have had if this act had not been passed ....

Id.

D. Section 289 Implements Congressional Intent to Award an Infringer's Entire Profits

Prior to 1946, the statutory precursor of the present § 284 generally gave patent owners the right to recover both what the owner of the patent lost by infringement (*i.e.*, damages) and what the infringer made (*i.e.*, profits).[24]

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24. In 1922, Congress revised the general remedies provision for patent infringement to allow "a reasonable sum" rather than nominal damages as the floor for actual damages. Act of Feb. 21, 1922, ch. 58, § 8, 42 Stat. 389, 392.

In 1946, Congress substantially altered the equitable relief provisions of the patent statute. Significantly, Congress eliminated the right to an accounting for an infringer's profits in courts of equity and changed the equitable damages remedy to "general damages which shall be due compensation for making, using or selling the invention, not less than a reasonable royalty therefor ...."[25] The legislative history of the 1946 Act reveals Congress' concern with the difficulties that had plagued the courts in apportioning the infringer's profits between that which was and that which was not attributable to the claimed invention.[26]

In 1964, the Court explained that the purpose of the 1946 change "was precisely to eliminate the recovery of profits as such and to allow recovery of damages only." *Aro Mfg. Co., Inc. v. Convertible Top Replacement Co., Inc.*, 377 U.S. 476, 505 (1964). By contrast, the Court explained that "[i]n the 1952 codification, §§67 and 70 of the 1946 Act were consolidated in the present § 284. The stated purpose was merely 'reorganization in language to clarify the statement of the statutes.' H.R. Rep. No. 1923, 82d Cong., 2d Sess., at 10, 29." *Id.*, at 505 n.20. There is nothing to indicate any different purpose in the codification of current § 289, despite some minor differences in wording. Notably, neither the 1946 Act nor the 1952 Act amended

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25. See Act of August 1, 1946, c. 726, § 1, 60 Stat. 778; 35 U.S.C. §70 (1946).

26. "[I]t is absolutely impossible to apportion the profits due to the invention, those being the only profits to which the patentee is entitled.... The only sound principle is to have the plaintiff recover the damages he can prove." H.R. Rep., No. 1587, 79th Cong., 1, at 3 (1946). *See also*, S.Rep. No. 1503, 79th Cong., 2 (1946).

or repealed the separate remedy for design patent owners created in 1887.

IV. Reliance on Explicit Language in Section 289 Is Justified by Evidence in Trademark and Copyright Law That Congress Conditions Infringement Remedies with Express Language Where It Chooses to Do So.

That Congress meant what it said in Section 289 – that infringers of design patents are liable for their "total profit" on the sold articles – is supported by the enactment of parallel remedies for federally-registered trademarks and copyrights. By providing trademark and copyright owners the remedy of an infringer's profits with specific and sometimes distinguishable terms, Congress has indicated that it knows how to require apportionment or apply other conditions when it wishes to do so.

In 1946, Congress repealed the remedy of infringer's profits for utility patent owners, but in that same year it provided that very remedy for trademark owners in enacting the Lanham Act. Under Section 1117(a) of Title 15, a trademark owner that proves a violation of its rights provided by Section 1114 can recover compensatory damages, costs, and the infringer's profits subject to the principles of equity.

The Lanham Act imposes other prescriptions and limitations on the remedy of a trademark infringer's profits. Under Section 1117(a), these include the following: (1) once the trademark owner proves the infringer's total sales, the infringer carries the burden to prove costs or deductions; (2) the court may adjust an inadequate or excessive profits

award to "enter judgment for such sum as the court shall find to be just, according to the circumstances of the case"; and (3) the award must constitute compensation and not a penalty. Congress has also distinguished the remedies for a Section 1114(1)(a) use in commerce of a mark that infringes a registered mark from the remedies for the Section 1114(1)(b) production of a mark that is intended to be used in commerce and that infringes a registered mark. Unlike Section 1114(1)(a) infringement, Section 1114(1)(b) infringement triggers remedies of the defendant's profits and damages only where there is proof that the defendant knew the infringing mark was intended to cause confusion, mistake or deception. Section 1114(2) provides a variety of provisions limiting the trademark owner's remedy to injunctive relief with respect to innocent infringement by a printer or by a newspaper or magazine publisher. In addition, Section 1114(2)(D) includes extensive safe-harbor provisions for domain name registration authorities.

In the Copyright Act, Section 504 provides that a copyright owner may elect an infringement recovery of its actual damages and any additional profits of the infringer, or instead an award of statutory damages. Thus, in Section 504(b) Congress authorized the copyright owner to recover

> the actual damages suffered by him or her as a result of the infringement, and any profits of the infringer **that are attributable to the infringement** and are not taken into account in computing the actual damages. In establishing the infringer's profits, the copyright owner is required to present proof only of the infringer's gross revenue, and the infringer is required to

> prove his or her deductible expenses and the elements of profit attributable to factors other than the copyrighted work.

Id. (Emphasis added.)

As is evident from this statute, Congress permitted copyright owners, as with trademark owners, to recover an infringer's profits, but it did so with the explicit requirement that recovery of the copyright infringer's profits is confined to those "that are attributable to the infringement." In addition, as in trademark law, the copyright statute also explicitly imposes on the infringer the burden of proving deductible expenses after the copyright owner proves gross revenues. This burden includes proof of "the return on investment shown to be attributable to its own enterprise, as distinct from the value created by the infringed work. *See Sheldon v. Metro-Goldwyn Pictures Corp.*, 309 U.S. 390, 402, 407 (1940) (equitably apportioning profits to account for independent contributions of infringing defendant)." *Petrella v. Metro-Goldwyn-Mayer, Inc.* 134 S. Ct. 1962, 1973 (2014). Congress imposed no such burden or requirement with respect to design patents.

In addition, the option of statutory damages as a copyright recovery is further evidence that Congress fashions the remedies for infringement according to policy determinations for the particular harm caused by the infringement. In Section 504(c), the Copyright Act sets out specific monetary limits within which a court or a jury may determine an amount of statutory damages considered to be just. *See Feltner v. Columbia Pictures Television, Inc.*, 523 U.S. 340 (1998). This statute "has

been interpreted to vest in the trial court broad discretion to determine whether it is more just to allow a recovery based on calculation of actual damages and profits, as found from evidence, or one based on a necessarily somewhat arbitrary estimate within the limits permitted by the Act." *F.W. Woolworth Co. v. Contemporary Arts, Inc.*, 344 U.S. 228, 231-232 (1952).

These provisions indicate that Congress acted intentionally and deliberately to implement the remedy it determined provided the appropriate relief for the specific form of intellectual property. Congress granted parallel, but not identical, remedies of the infringer's profits in design patent, trademark and copyright cases, although Congress eliminated that remedy for utility patent owners. Congress granted design patent owners the right to recover "to the extent of [the infringer's] total profit," 35 U.S.C. § 289, without any offset or apportionment of the types it applied in the trademark and copyright laws. Congress granted trademark registrants and copyright holders the right to recover the infringer's profits only under a variety of explicit conditions, including an apportionment requirement in copyright cases. All three legislative decisions were explicit, clear and intentional. This Court should not expand on or change the conditions that Congress so clearly spelled out.

V. The Policy Implemented by Congress in 1887 Remains Good Policy

The decision Congress made in 1887 to allow design patent owners to recover an infringer's total profits remains important today. The problematic nature of apportionment for design patent infringement with

respect to the design of a physical article is still as impractical today as it was in 1887, when Congress enacted the predecessor of Section 289, and in 1946, when Congress repealed the right of utility patent holders to recover an infringer's profits because of the difficulties presented by apportionment.

It bears emphasis that many of the run-of-the-mill design patent cases are about counterfeiting, which remains a major problem. In 1987, the International Trade Commission estimated that U.S. businesses lost between $8 billion and $20 billion a year to lookalikes. Todd J. Gilman, Attorney Puts Foot Down About Sneaker Patents; Avia Takes Shoe Pirates to Court to Protect Design, Wash. Post, July 20, 1987, at F03. In passing the Anticounterfeiting Consumer Protection Act of 1996, Congress elaborated on the impact of product piracy on society by stating "[t]oday, counterfeit products cost American businesses an estimated $200 billion each year. Counterfeiting is a drain on the American economy, on the Federal treasury, and costs American jobs." S. Rep. No. 104-177, at 1 (1995).

Designs are easy to copy. Design patent infringement is difficult to police. The incremental value added to purely utilitarian articles by "new, original and ornamental" designs, 35 U.S.C. § 171, is often inextricably intertwined with market demand and virtually impossible to quantify in a way that passes muster under this Court's *Daubert* test. The public policy decision codified in 1887 remains important today. The right to recover an infringer's profits is an important arrow in the bundles of rights granted to copyright holders, federal trademark registrants and design patent owners.

CONCLUSION

In view of the foregoing, AIPLA respectfully requests that the Federal Circuit decision be affirmed.

Respectfully submitted,

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